



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Administration Committee

DATE: January 2, 2008

FR: Deputy Executive Director, Policy

W.I.:

RE: Investment Report for November 2007

In accordance with the adopted investment policy, attached are the comprehensive investment holdings for MTC and all operating units.

Total funds under MTC management is approximately \$3.8 billion. A breakdown by fund includes the following:

<u>Fund</u>	<u>Balance (\$ million)</u>	<u>% of Total</u>
BATA RM1*	\$ 1036.9	27.4%
BATA Debt Service Reserve	24.2	0.6%
BATA Seismic	817.6	21.6%
BATA 2007 Bond Proceeds	950.7	25.1%
BATA RM2	196.2	5.2%
BAIFA	549.1	14.5%
MTC	124.4	3.3%
FasTrak® (Customer Deposits)	40.5	1.0%
BART Car Exchange Program	28.7	0.8%
SAFE	15.5	0.4%
RAFC	2.4	0.1%
Portfolio Total	\$ 3,786.2	100.0%
Net BAIFA	\$ 3,237.1	85.5%

*includes rehab, reserves, capital, trustee payments

The Bay Area Infrastructure Financing Authority (BAIFA) funds are held in trust for both project and reserve funds that will be used for seismic retrofit purposes. The BART Car Exchange fund is held in trust for future replacement of BART cars.

The portfolio consists mainly of U.S. Government securities. The portfolio breakdown is as follows:

<u>Security Holding</u>	<u>Portfolio Composite</u>	<u>Policy Limits</u>
U.S. Gov't Agencies	79.2%	No limit
Cash	2.8%	No limit
Certificate of Deposit	1.3%	10% portfolio
Commercial Paper	0.5%	10% portfolio
Corporate Bond	0.4%	10% portfolio
Gov't Pools	0.2%	No limit
Mutual Funds	4.4%	20% Portfolio/10% One Fund
Blackrock (BATA Trustee)	1.0%	Trustee Funds – No limit
Cadre (BAIFA)	2.4%	Trustee Funds – No limit
Goldman Sachs (BAIFA)	7.8%	Trustee Funds – No limit
Portfolio Total	100.0%	

Funds held by trustee on behalf of bondholders are subject to permitted investments approved in the issuing documents and are not subject to mutual fund limits as defined in the MTC Investment Policy.

MTC has no holdings in “subprime” securities that are mortgage backed debt obligations issued by various financial institutions. A review of mutual funds and government pools shows a small \$2.3 million exposure in the Local Agency Investment Fund (LAIF) which, if defaulted, would lower the overall LAIF earnings from 4.96% to 4.95%. Overall impact to BATA would be less than \$1,000 in lost interest. LAIF expects the securities to mature in January 2008.

MTC agency holdings include \$25 million (0.7%) in floating rate securities. If there are any questions, please contact Brian Mayhew at (510) 817-5730.

Therese McMillan

SH:SW